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CONFIDENTIAL

June 26, 1969

TO : L - Mr. Stevenson

FROM : L/C - Ernest L. Kerley

SUBJECT: Status of claim against Israel for damage to the USS Liberty

At your confirmation hearing you may be asked about the present status of our claim against Israel for damage to the USS Liberty. Senator Fulbright recently wrote the Department asking if the ship claim had been paid and, if not, why not. He is definitely a hawk on the question of obtaining compensation from Israel for damages caused by the attack.

The last sentence of the transition paper on the USS Liberty claims states that we have instructed Embassy Tel Aviv to request a reply to our note transmitting the ship claim. Since that was written, the Embassy replied to our instruction urging that instead of requesting a reply to our note the Embassy should indicate informally to the Israeli Foreign Ministry that we would settle for a token payment on the ship claim. L/C drafted a strong reply setting forth the reasons why the US expects full compensation for damage to the ship, but Mr. Sisco is unwilling to clear it until he has discussed the matter with Ambassador Barbour. Ambassador Barbour will be in the Department the week before Mrs. Meier's visit, which is now planned for mid-July, but could be later.

In the present unsettled state, I would suggest that you answer any question about the status of the ship claim along the following lines:

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 1/24/83
RDS[ ]or XDS[ ]EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS [ ]
DECLASSIFIED[ ] RELEASABLE[✓]
RELEASE DENIED[ ]
PA or FOI EXEMPTIONS

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The ship claim was presented to the Government of Israel on July 1, 1968, and Israeli officials indicated that they would reply when all the claims had been presented. Since all claims have now been presented we are awaiting a reply, and we are considering what steps to take if we do not receive a reply within a reasonable period of time.

L:L/C:ELKerley:ams

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